

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MOSELEY-BRAUN [for herself and Mr. DURBIN]:

S. Res. 103. A resolution to congratulate the Chicago Bulls on winning the 1997 National Basketball Association Championship and proving themselves to be one of the best teams in NBA history; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY (for himself, Mr. BUMPERS, Mr. HARKIN, Mr. GRASSLEY, Ms. LANDRIEU, Mr. CLELAND, Mr. LIEBERMAN, Mr. WELLSTONE, Mr. LEVIN, Ms. SNOWE, and Mr. LAUTENBERG):

S. 956. A bill to amend section 7(m) of the Small Business Act to establish a Welfare-to-Work Microloan Pilot Program; to the Committee on Small Business.

THE WELFARE-TO-WORK MICROLOAN PILOT PROGRAM ACT OF 1997

Mr. KERRY. Mr. President, I send a bill to the desk and ask for its appropriate referral.

Mr. President, I am pleased to introduce today the Welfare-to-Work Microloan Pilot Program Act of 1997, and I do so with Senators BUMPERS, HARKIN, GRASSLEY, LANDRIEU, CLELAND, LIEBERMAN, WELLSTONE, LEVIN, SNOWE, and LAUTENBERG. I thank and congratulate all of them for their commitment to this important program. This legislation will assure that Americans who have had to rely on public assistance have the same opportunities as other Americans to start and operate a small business.

Mr. President, America is the home of the entrepreneurial frontier. Here, anyone can explore boundless opportunities to try new things, to begin again, and to build new lives. Americans have inherited characteristics from the frontiersmen—embracing risk, change, and individualism—and applied it directly to starting and expanding American small businesses. As the ranking member of the Small Business Committee and a Senator from Massachusetts, I am honored to represent a State that employs more and more people and continues to fuel the national economy and job market. Massachusetts' 360,000 small firms are employing over 50 percent of our workers. From 1991 to 1995, all American businesses with fewer than 500 employees created 11 million new jobs, while businesses with more than 500 employees cut three million jobs overall.

I want to open the entrepreneurial frontier to all Americans who want to leave the welfare system behind and build new lives for themselves and their children.

The Welfare-to-Work Microloan Pilot Program is geared to assist people in moving people from welfare into the

work force, not just as workers but as entrepreneurs. It is more than a jobs bill. It will not only build businesses, but it will build communities. This bill builds on the foundation of the SBA's remarkable Microloan Program which allows businesses and startup companies to receive development counseling and small loans of up to \$25,000. The average microloan size is only \$10,800. Under the Welfare-to-Work Microloan Pilot Program local organizations will serve welfare recipients by using SBA grants for intensive business development assistance. In addition, the bill will allow local organizations to help future business owners overcome two of the greatest obstacles that they have, access to affordable transportation and convenient child care.

Mr. President, I urge my colleagues to support this legislation—to assure that the American dream can be realized by all Americans and future generations. We must build a system now that will help our children. One in five of America's children—14.3 million—live in poverty. Two-thirds of welfare recipients are children. If we want to lift them up and out of poverty, we must give them new opportunities to explore and benefit from the resources of America's frontier. We must act now to provide their parents and guardians with a map across the entrepreneurial frontier.

Mr. President, the fact is that this type of program has already worked, and I just want to share a couple of quick examples with you. One of the people who has already received this type of grant under the Microloan Pilot Project is Karla Brown, owner of Ashmont Flowers Plus in Boston. In 1990, she found herself divorced with a young daughter, a mountain of debt, bad credit and unemployed as a result of major surgery. After being on disability for 3 years, she decided to start her own business. In 1993, she started selling flowers at a subway station. As the business grew, she leveraged the resources of local organizations, developed a business plan, received an SBA funded Microloan, and opened a store in Codman Square, a critical commercial node in a low-income neighborhood in Boston. With a \$19,000 loan from the Jewish Vocational Service in Boston and a tremendous commitment to become a successful entrepreneur, she is now the proud owner of a business that has annual sales of \$100,000 and employs two people part-time. Karla Brown's big idea of a flower shop was one of many new businesses applauded by an article entitled "SBA Microloans Fuel Big Ideas" in a recent issue of the U.S. Chamber of Commerce's magazine.

Karla is joined by others on this entrepreneurial frontier. In 1995, the Western Massachusetts Enterprise Fund made a loan of less than \$10,000 to a divorced, single mother who was receiving public assistance. The woman believed in her own skills as a hairdresser and her own personal efforts. With the help of her community orga-

nization, she developed a marketing plan, targeted special underserved markets—homebound elderly, group home residents' and disabled people—and, in just 2 years, she is now busy with appointments all day long and has never missed a loan payment. In fact, under the SBA's Microloan Program, the Government has not lost one dime in the 6 years of operation because loan repayment rates are so high. The reason this program is so successful is because the SBA provides grants for technical assistance for the loan recipients and helps to make certain that these ventures are successful.

Another Massachusetts organization, Jobs for Fall River, Inc., saw the potential in a 35-year-old woman who was relying on welfare while caring for her elderly mother and her young son. She wanted to start a business to design clothing. Her first attempt at the enterprise failed because she was not able to afford the child care, transportation costs, and operating costs for running the business without a loan. However, after attending an 8-week intensive training session, she was able, through the assistance of Jobs for Fall River and SBA-provided funding, to develop a business plan and receive a loan in May of 1996.

We can open the entrepreneurial frontier for more Americans on public assistance with the Welfare to Work Microloan Pilot Program—partnering the resources of the SBA with local organizations like the Western Massachusetts Enterprise Fund, Jobs for Fall River, and the Jewish Vocation Services in Boston.

During a recent hearing before the Small Business Committee, an inspiring witness from Iowa, Mr. John Else of the Institute of Social and Economic Development, told of the successes his organization is working with welfare recipients under the SBA Microloan Program. Individuals in their program have a business success rate that is three times higher than the average for new businesses. His testament, combined with the requests of other local organizations for more flexibility to help this community, convinced me that we need to expand the success of this program.

Opening the frontier for more small businesses is critical to achieving the aims of welfare reform. States are now facing tall goals to reduce the welfare roles—their caseloads must be reduced by 25 percent this year under the new law. The growth in job creation is directly parallel to the growth in small businesses. In America today, there are over 22 million small businesses compared with only 14,000 big businesses. We see more women than ever exploring the entrepreneurial frontier. Women-owned businesses represent one-third of all U.S. companies, contribute more than \$1.5 trillion in sales to the U.S. economy, and employ more people than the Fortune 500. Women-owned sole proprietorships have a start-up rate twice that of male-owned